

Hal Harper Interview
OH 2334_9
Montana Historical Society
Montana Brewery Oral History Project
April 14, 2017

Brian Shovers: Okay, my name is Brian Shovers. The date is April 14, 2017. I'm interviewing Hal Harper for the Microbrewery Oral History Project at my house here in Helena. My first question is how did you become interested in politics?

Hal Harper: You know my dad, Brian, was a member of the Constitutional Convention. After they had written that, the new constitution of course, he was trying to sell it around the state. He joined up with an unlikely ally, Betty Babcock.

BS: Really.

HH: Who had also been at the convention. Her husband, of course, former governor [Tim Babcock] was violently opposed to the constitution. I did a little traveling around with Dad. I ended up filing for the Legislature in that same election where the constitution was ratified. I won a seat as a Republican in the House of Representatives. That was the '73 and '74 sessions.

BS: Right.

HH: Were the only annual sessions the State's ever had.

BS: Right.

HH: After that, uh my father's good friend, Betty Babcock, whom he gives credit for helping to pass the constitution was filed against me in a Republican primary. She beat me handily would be an understatement. She cleaned me out with a big broom. I switched parties because I wanted to serve. I was able to beat her in the next election and so I served from '77 until term limits knocked me out in the year 2000.

BS: Right. What was your occupation?

HH: You know, during that time, I worked as a driller and loaded dynamite on the highway sections over McDonald Pass. I was a laborer . . . the local union. I worked . . . I worked as a carpenter.

BS: Right.

HH: For a buddy of mine and then we became partners. Then I was a general contractor for . . . well, I guess nearly forty years in Helena because I love Helena and I wanted to stay here. The degree I had in philosophy was quite useful for, you know, [philosophizing when you hit your thumb with a hammer].

BS: So, what . . . remind me again of your father's name?

HH: George Harper. He was a long-time minister . . . a Methodist minister around here. My father's views, of course, you know, no son is immune from his father's basic beliefs. My father was an anti-gambler. He did not like gambling. One of the reasons you'll see Stovall's name at the top of [HB 442 of

the 1999 session] is because he was not known as an anti-gambler. In fact, he was known to be a good guy and a thoughtful guy. I thought that my history ... I voted against every bill to legalize gambling that I ever saw.

BS: Really?

HH: That did not help with the tavern industry. Now we see that the tavern industry ... the only industry in which, gambling is allowed...

BS: Right.

HH: ... in their establishments. That may have had something to do with this bill passing. I believe that if I had carried this bill, as I did the first two, it would've met the same fate even though Zeke helped, you know, negotiate it. I just don't know if I could've carried this over the finish line like Jay Stovall. When I asked Jay Stovall about it, he swore me to that he would not fail. "Harper, I will not fail you," said Jay Stovall. And he didn't. He did well.

BS: You said he was from the Crow Reservation?

HH: He's from Crow [Nation]. He was a Republican. Everybody liked him. Everybody liked his wife Juanita. He knew how to speak the language and so I'm grateful to him for doing this. It was a Republican House, Republican Senate and the Speaker of the House was not especially fond of me. I had been the previous ... the Speaker previous to him.

BS: What was his name?

HH: That was John Mercer.

BS: Okay.

HH: John Mercer. Another reason I asked Jay and he agreed to carry the bill.

BS: How did you get interested in the craft beer industry?

HH: For some reason, I joined the Kessler [Brewing Company] board of directors. But Kessler went bankrupt I had nothing to gain out of carrying these bills and this was some years later.

BS: Right.

HH: Just looking at the unfairness of the situation. It always looked, you know, back in those days some of us carried quite a few bills. To carry twenty or twenty-five bills a session was not unusual. I was always looking for laws that needed to be changed because of fairness.

BS: Right.

HH: This one especially impacted economics in the state and there were beneficial sociological aspects of this. For example, a lot of people like to drink beer and wine & socialize. But where do you go if you go out? You pretty much had very minimal choices. There was some beer and wine license places and there were bars. But these brew pubs, that we kept hearing about in other states, were different social creatures. They attracted different levels [of participants]. They had different levels of activity. You very seldom had [bar] fights. No such thing as brewery fights, you know. It seemed like an incredible economic opportunity for the state. But also seemed like Montana was the last state in the nation not to have a brew pub law. We grow the best grain in the states, noticed more and more hops was sneaking up from the south, from the Jefferson River Valley and all this. So, we had all the materials. Yet, our barley growers

were captives to the Coors and Anheuser-Busch and all these different people who dictated their prices. Wasn't it about time that we started this aspect of economic enterprise in the state of Montana? Now it's substantial [& growing]. It'll be nice if you could quantify it. [Now it's] where, a lot of these lawmakers go to discuss bills now, instead of [just] going to Jorgy's [Jorgenson's Inn and Suites]. A lot of 'em still go there, too.

BS: Tell me about your efforts to pass legislation related to microbreweries in the 1995 and 1997 legislative sessions?

HH: The power of the taverns and the distributors was incredible in those days, they pretty much could give orders on things like this. [But somehow we managed to get the bill out of committee & it died on the floor of the House]. That's why the laws were written the way they were. The people in power wrote the laws and they kept themselves in power.

[**Side note:** In 1995 Hal carried HB 564 relating to small breweries, home breweries, and in-state breweries. In 1997 Hal carried a much more comprehensive bill which was HB 604 which did get passed after being drastically amended. This bill legalized home brewing in Montana & provided brewing & malting machinery be taxed at 4% market value]

[I want to doff] my hat to Zeke, who saw the opportunity . . . the economic opportunity and realized the unfairness of the situation. [**Side note:** Other people that need credit include Todd Daniels of Kessler, Tim O'Leary of Kettlehouse, Brian Smith of Blackfoot, Jürgen Knöller of Bayern, Dennis Himmelberger and Brad Simsaw]

BS: What was his name and who is here?

HH: [Bob "Zeke" Zucconi of Helena] owns Zeke Distributing. He had the aura about him that he could do this without getting in trouble.

BS: And where's he from?

HH: He a Helena [beer/]wine distributor – [transportation courier service packaging].

BS: What committee would these bills have been heard in?

HH: They would have gone to Business and Labor. They combined Labor and Business when the Republicans took control. They had control of the House from '93 on till 2005.

BS: You were saying earlier something about the origins of these strict laws came out of Prohibition. Can you talk a little bit about this?

HH: Post-Prohibition, the three-tier system, you know. You could brew it. You could distribute it. Then you could deal it to the final person that's gonna drink it. That was one of the reasons that you could keep these people from doing anything is because they couldn't distribute it and they couldn't sell it. So that was the breakthrough here. Was the break . . . some sort of breakdown in the three-tier system. But you can imagine how many times we had that three-tier system brought up as an argument against what we were trying to do. Frankly, we didn't have three-piece suits in there all time lobbying.

BS: In '95 and '97, there really weren't any craft breweries in Montana.

HH: None that I know of. You know, Kessler [Brewing Company] had gone out.

BS: Right

HH: You had Big Sky and Bayern, I guess, over there. They didn't seem too interested in this. They were doing what they were doing and they had some sort of other arrangements.

BS: I'm hoping to interview the guy from Bayern at some point.

HH: Okay.

BS: Yeah and Moose Drool In fact, I think we've already heard from him.

HH: Tim O'Leary [of Beargrass Brewing, now Kettlehouse] will be a good one, too. He'd yet never let me buy a beer in his establishment. [laughter] I was sorta the grandfather of the deal in his [mind].

BS: Right.

HH: I used to be a big hero at the Cool Dog Ball.

BS: But anyway, tell me about your efforts on behalf of the craft beer industry during the 1999 session.

HH: That was when Zeke broke the deadlock. Called me up. We did these negotiations. Got this bill up... pretty much passed the way it was ... the way we had negotiated, with the exception of the eight o'clock closing which was [supposed to be 10 – most football games ended by then]. Jay Stovall agreed to carry the bill for me. He may have even put his name on the drafting. He got the job done. Then what happened was, all the sudden Montana has pretty good beer. We have a new economic activity. Farmers have a new outlet and not everybody's happy. But now we've got some real competition. We've got some good suds.

BS: So, what do you think was the main impetus for the distributors and tavern owners for coming along?

HH: People could tell that this was an economic engine that was ... could only be suppressed for so long. Then when Zeke [moved], and Zeke had the force. I mean, he could see opportunity.

BS: Right.

HH: He had the power and the muscle that he could do this. He couldn't be sworn at. Let me say by other people. He was, I mean, I'm sure he was called a traitor by any number of people. But Zeke seemed to pretty solid person.

BS: Right.

HH: And he didn't care. He was doing what he thought was right. Once again, he's the guy who should get credit.

BS: Right.

HH: Whether he wants it or not.

BS: So, the impetus for the tavern owners to initially be against the craft brewery industry was related to the large amount money they paid for their licenses? How did that come about?

HH: Well that ... it did not seem fair that these guys would be serving beer, you know, without having to submit to that quota system without about having to pay that. So, there's always that. But they're fearful of direct competition [& loss of investment]. I'm not saying that their fears were not founded. You hear all kinds of tavern owners quite concerned about what would ever happen if the quota system went away. I remember ... I worked for [Governor Brian] Schweitzer. I ended up getting all these calls. The taverns:

“you either have to give us blackjack or remove the no-smoking ban.” Now, the no-smoking in public places was also negotiated in my office by Mark Staples [lobbyist for the Tavern Association &] Rhona Alexander [for Town Pumps along with] those two and Cliff Christian for the Lung Association. The bill was in there and we negotiated that. But anyway, that’s what the taverns wanted because they were losing [something]. I was [Governor Brian] Schweitzer’s chief policy advisor for a number of years.

BS: Oh! So, do you know anything about the origin of that quota system?

HH: Yeah. That was ... I think that came ... I don’t know enough about it. I think it came [in the mid 40’s as a result of prohibition].

BS: Right. Repeal of the . . .

HH: Yeah, liquor control system. They’re gonna try to control liquor, you know.

BS: Doesn’t sound like that system exists in other states? I don’t know.

HH: I’m not aware of any other state that has this system. There may be some. I’m not sure. People have examined how to peel it apart. I just saw an article written by Paul Cartwright. Remember, he was the former [city commissioner].

BS: Sure!

HH: Actually, he had me look over his article ... this article. It was two, three years written ago. That’s a tough one. The only way the quota system will ever be broken in this state, is through a lawsuit. That happened in other states that [had] this [system] for a while.

BS: So, I don’t know, what was your relationship with the Montana Tavern Owners Association and the beer distributors?

HH: You know, I did not have that good of a relationship with them because I voted against gambling.

BS: Right.

HH: I voted against legalized gambling every single time I got a chance. Still think it was a mistake for the state. So, I did not have a good relationship with ‘em. That’s another reason that I asked Jay Stovall, who did have a good relationship with ‘em, if he would carry this bill that was gonna be my final shot at it. I had looked at the law and seen that the deck was very much stacked in favor [of distributors & taverns]. So, even a brewery that could operate under existing laws, like Kessler tried to do [was] pretty much at the whim of [distributors].

BS: Do you think that the 10,000-barrel limit will be overturned in the 2017 session?

HH: I think they’ll raise it by a couple of thousand. I don’t know if they’ll raise it more than that.

BS: It sounded like the proposal from the craft beer industry was to raise it to 60,000?

HH: Yes, and that would cover Kettlehouse.

BS: And Big Sky Brewery.

HH: And those guys. But, I mean, that’s quite an increase. Once again, I mean, that limit, was one of the impediments that the tavern industry was throwing in the way of the brewers and so I don’t think they’re gonna let go of that. To raise it to 60 would be just kinda conceding for all these other small brewers that

this is no longer an issue to hold you down. I know those, you know, if you're very conscious of all the playing cards you have in your hand. If you know your politics and this is one. Not sure what they'll do. I can't believe they haven't raised or lowered the closing hour to ten o'clock from eight o'clock. That is just mind boggling to me but we'll see.

BS: Yep. So, does Montana have the most restrictive laws regarding craft breweries of any place?

HH: You know, I can't say. I know we used to. We were at one point, when I was carrying the bills, supposedly the only state without a brew pub law. What we have seen is quite restrictive because most other states have towns with as . . . cities with as many people as our state. Those breweries gonna be a lot bigger. They're gonna have a lot more business. I would guess they have nothing like a 10,000-barrel limit. None of them that I know, have any closing hour at eight o'clock. I'm not aware of it if they do.

BS: We were just in Seattle and Portland and I think they do have a closing time of ten o'clock in both of those places, it seemed like. But there certainly was no restriction on how much you could drink.

HH: The forty-eight ounces was another issue. One that . . .

BS: But it's interesting.

HH: Nobody is really that concerned about it.

BS: No 'cause where I was talking to Todd Daniels. Did an interview with him. He felt that that was legitimate. I mean, you know, because the beer is so much stronger than anything you're gonna get from Budweiser or Coors. That, you know, forty-eight ounces . . . people do not go there to get drunk.

HH: That's another. . . Well, I've seen people that obviously had more to drink than they should to drive at forty-eight ounces. Now, and it was a legislator, Deb [Koettel] from Great Falls, who carried the bill . . . This was like '07, to raise the legal alcohol limit to fourteen percent for beer. Now yes. I mean you can crank it up

BS: So, did that that pass?

HH: It passed. It was . . . I got involved in that somehow from the Governor's Office. We got it passed. [Side note: it did not pass] Because some of the brewers wanted to make that European, strong European-type beer. Then the Blackfoot [River Brewing Company] they make that barley wine.

BS: Right. Right.

HH: That is, you know, it's very tasty, but incredibly potent.

BS: So, how important is the industry to the Montana economy, the craft brew industry?

HH: I think it's very important. I'd sure like to know what the gross numbers are, you know. Not just for economics on a total scale, but farm economics for the farmers.

BS: Right.

HH: And now I don't know how well we're growing hops, but they certainly grow in the southern part of the state.

BS: Right. Yeah, we've grow them here in Helena.

HH: Yeah, you seen all the hops. We got them in back of the Methodist church. God forbid. We're supposed to be a non-drinking church, but the vines are full of 'em.

BS: Yeah, there's supposed to be a malting facility being built in Butte. They're talking about it right now.

HH: Right.

BS: Yeah. That would really help the craft brewers and stuff. There's a big one in Great Falls called Malteurop. It's owned by people from Brussels, I think or something like that.

HH: Wow! Most excellent!

BS: Anyway, yeah! So how important are microbreweries to the social fabric of Montana communities?

HH: Well, that's something we were talking about before. There was what I will call a social niche, I guess, that was filled by breweries and is being filled by breweries. People that don't want to go to a bar. Don't want to sit next to slot machines, you know. Don't necessarily wanna go to a beer and wine license-holder that can stay open all night. It's a different kind of a social gathering. People very much enjoy what these brew pubs have to offer. Often, you'll have a folk singer in there or a group or a person reading their own poetry. Something like that. You can have forty-eight ounces of some pretty strong beer, you know, which is plenty. Most of these breweries let people take their kids in there to the consternation of some customers. But you have some real lively social times in there and then you're done in time to go home and get the kids to bed or do whatever else you're gonna do. There are a number of people, I will say, that enjoy their three beers and then head for the nearest tavern after that and that's up to them. But this is a new social opportunity that people seem to enjoy. They're a different kind of person. It seems to me a more relaxed, but then you can also own a growler for most of these places. So, it's almost as good as having it right out of the tap. You get better beer and better variety.

BS: Right.

HH: And no limit on the number of growlers you can buy. In fact, except the fatness of your wallet.

BS: Well, we were just in Portland and Seattle. Portland's got ninety microbreweries now. Seattle has seventy. The entire state of Montana has seventy. Montana's ranked number two in the nation per capita number of breweries, after Vermont.

HH: Yeah. Great!

BS: The fact that there's the same number of breweries in Seattle as there is in the whole state of Montana is amazing. Of course, the population of Seattle I don't even know what it is. Right now, it's huge. It's probably two or three times the size of population of Montana -- the state of Montana. But an interesting thing in talking to people there, is, you know, that's an incredible amount of competition. They don't fear the competition, you know. They think it's great.

HH: Yeah.

BS: Yeah, They, you know, the brewers I talked to around Montana feel the same way. They don't feel threatened by competition of other microbreweries. They all have their own cliental or whatever and they think it's great. It's a really interesting economic model.

HH: Same thing I heard from the people here. From Max Pigman and Brian Smith and those guys when Ten Mile [Creek Brewery] went in down there. Tubsy's kid, Riley [Tubbs] and his buddies. But okay, the

exponential growth of breweries here in Montana is proof that this was an economic enterprise coupled with a social enterprise that'd been bound down and was on the loose now. It was the old three-tier system that kept us from being able to use this value-added process -- seed to sip all the way. One person could do it and run the whole operation. What a novel concept! Keep all the enterprise in the state of Montana. That's what we always try to do economically.

BS: 'Cause I understand.

HH: Why have we been suppressing?

BS: Montana's, if not the largest producer of malting barley in the country, it's one of the largest. From what I just read, apparently, there's 1,400 jobs now directly related to the brewing and the beer. That doesn't count the ancillary jobs that are created because of that.

HH: Wonder if the farmin' jobs are thrown in there?

BS: I don't know. That would be interesting to know. I think it's just the producers, the people making the beer.

HH: All right.

BS: So, do you have anything else that you'd like to add?

HH: Well, let's see. I don't know. We've covered most all of it.

BS: Right.

HH: Tom Hopgood was a [the wholesaler's] lobbyist. Maybe when I carried the first one. Maybe in days before. Kristi Blazer. She's a lawyer with a shop in Craig and Cascade. She's the distributor's person now.

BS: So, after your bill failed in '95, did you make any adjustments to it when you introduced again it in '97?

HH: I wish I'd taken better notes of everybody that attended the sessions with Zeke. But that man would be the godfather of breweries and he should get the credit.

BS: Yeah. Hopefully we can get the interview with him. That would be interesting.

BS: All right. Well, thanks for your time!

HH: You bet!

[recording ends]